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No.

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

ROSE ART INDUSTRIES, INC.,

Petitioner,

vs.

KENNER PARKER TOYS INC.,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether it is contrary to Fed. R. Civ. P. 52(a) for a reviewing court to disregard the central finding of fact upon which the appealed decision is based without determining that it is erroneous?

2. Whether the source identifying capability of a common portion of trademarks is an important factor in determining likelihood of confusion?

3. Whether the trademark law protects the right of competitors to freely use generic terms to name their goods?

4. Whether secondary meaning can attach to a generic term which is part of a famous mark?

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OPINIONS BELOW

The judgment and opinion of the United States Court of Appeals for the Federal Circuit reported at 22 USPQ 2d 1453 (CAFC, 1992) is set out in the Appendix at Part A.

The unreported opinion of the Trademark Trial and Appeal Board of the United States Patent and Trademark Office is set out in the Appendix at Part B.

JURISDICTION

The decision of the Court of Appeals of which review is sought was issued on April 15, 1992. No application for an extension of time to file this petition for certiorari has been made. The court's jurisdiction is invoked under 28 U.S.C. Sec. 1254(1).

PARTIES

The caption of the case in this Court contains the names of all parties to the proceeding in the United States Court of Appeals for the Federal Circuit whose judgment is sought to be reviewed. There is no parent or subsidiary company of Rose Art Industries, Inc. to be identified or listed under Rule 29.1 of the Rules of The Supreme Court of the United States.

RULE AND STATUTES

Fed. R. Civ. P. 52(a):

Findings by the Court

(a) EFFECT. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon,... Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses...

15 U.S.C. 1063:

Opposition to Registration

(a) Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the prescribed fee, file an opposition in the Patent and Trademark Office, stating the grounds therefore, within thirty days after the publication under subsection(a) of section 1062 of this title of the mark sought to be registered...

15 U.S.C. 1071: Appeal to Courts

(a)(1)...party to an opposition proceeding...who is dissatisfied with the decision of the Commissioner of Trademark Trial and Appeal Board, may appeal to the United States Court of Appeals for the Federal Circuit...

15 U.S.C. 1064:

Cancellation of Registration

A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by any person who believes that he is or will be damaged by the registration of a mark on the Principal Register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905:

. . .

(3) At any time if the registered mark becomes the generic name for the goods or services...

15 U.S.C. 1065:

Incontestability of Right to Use Mark Under Certain Conditions

...the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: Provided, That-

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(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.

STATEMENT OF THE CASE

Statement of Facts

Petitioner, Rose Art Industries, Inc. is a New Jersey based manufacturer and distributor of toys, art supplies, puzzles and games. Founded in 1923, it remains today a family owned business. The essence of an American success story, Rose Art has over the years grown to offer hundreds of different products with annual sales in the tens of millions of dollars. It is, however, a small company as compared to Respondent, Kenner Parker Toys Inc.

Rose Art currently sells three types of modeling compound. Oil based modeling compound, commonly known as clay, is sold under the

mark PLAY CLAY. Silicone based modeling compound, commonly known as putty, is sold under the mark CRAZY PUTTY. Water based modeling compound, commonly known as dough, is sold under the mark FUNDOUGH in Design.

The chemical properties of dough require that it be stored in containers which are sealed to prevent the product from drying out. Because of this, all manufacturers of dough package their products in plastic "tubs" with snap-seal lids. Rose Art sells the "tubs" individually, in packs of four or eight and as a set with accessory toys such as molds or extruders which manipulate and form the dough. Because the nature of the packaging prevents the product from being

touched or seen by a consumer prior to purchase, it is necessary to convey information about the nature of the product to enable consumers to distinguish it from other types of modeling compound. For this reason, all manufacturers of dough have used the term "DOUGH" or its phonetic equivalent "DOH" as part of their product names.

Rose Art's President testified that he selected the mark FUNDOUGH in Design because it conveys the message that the product is dough and that the dough will be enjoyable to use (have fun with). He knew about Kenner's PLAY-DOH at the time he selected the mark. He purposely did not adopt a "DOH" spelling of "dough" but instead chose to use the common English spelling. "Fun" was

used as a prefix because it conveyed the sought after feeling. Moreover, "fun" was clearly different in appearance, sound and meaning from "play".

FUNDOUGH products were introduced to the trade by Rose Art at Toy Fair in New York City in February 1986. Commercial quantities have been distributed to retailers for resale since 1987. Although sales have been brisk, no actual confusion with Kenner or its PLAY-DOH products has occurred.

FUNDOUGH products are sold in packages with mainly yellow trade dress, some of which depict a "rainbow" made of dough of different colors. The color was selected in part because yellow was the predominant color employed by the

Rose Art prior to 1986 throughout its product lines and partly because it is highly visible and attention attracting. The "rainbow" was used on the prototype packaging introduced in 1986. Rainbows of various types have been used on this and/or other Rose Art products, such as paints and pencils, to convey the idea that the product comes in a variety of colors.

Kenner and its predecessors have extensively used and advertised PLAY-DOH in conjunction with a competitive dough product which is by far the industry brand leader. However, Kenner has not over the years taken legal action to stop any of the several competitors who have used "DOUGH" or even "DOH" as part of a name for this product.

Catalogs and specimens of record show that a company called Chemtoy Corporation marketed FUN-DOH "modeling dough" throughout the 1970's. Kenner knew about this at the time, as is reflected in an internal Kenner memorandum also of record, but took no legal action. There is also proof of the use by other competitors of the term "DOUGH" i.e. COLOR DOUGH and SUPER DOUGH, without objection from Kenner.

In Kenner's internal memorandum discussing the sales of the Chemtoy FUN-DOH product, the author refers to the product as "dough" and "modeling dough". The same is true of an early advertisement for PLAY-DOH. Kenner admits that it has no right to prevent others from using "DOUGH".

Procedural History Of The Case

In 1986, Rose Art filed an application with the United States Patent and Trademark Office to register FUNDOUGH in the distinctive design form depicted in the beginning of the Board's decision. Registration was sought for modeling compound and accessory toys, such as molds and extruders.

The Trademark Attorney who examined Rose Art's application allowed the application without citation of any references. The mark was published in the Official Gazette. Kenner opposed the registration under 15 USC 1063(a) alleging likelihood of confusion with its registered mark PLAY-DOH. Rose Art denied that the marks were likely to be confused.

The three-member Trademark Trial and Appeal Board dismissed the opposition in a unanimous decision on April 27, 1991, holding that the marks are not confusingly similar. That decision was based on the central finding of fact that "DOUGH" and its phonetic equivalent "DOH" are generic for this product. The Board reasoned that since the only common portion of the marks is generic, confusion is not likely because consumers would not perceive the common generic term as an identification of source but rather as an indication of the nature of the product.

That factual finding was based on the following:

1. The proof showed that virtually all manufacturers of

water-based modeling compound use "DOUGH" or its phonetic equivalent "DOH" as part of their product names.

2. Kenner's own advertisements used the term "modeling dough" to describe the product.

3. The packaging of the now discontinued FUN-DOH, sold by a third party Chemtoy Corporation for years during the 1970's, refers to the product as "modeling dough" or "dough".

4. The internal memorandum obtained from Kenner's files during discovery refers to the product as "modeling dough" or "dough".

5. "DOUGH" is disclaimed in a third party registration.

6. Kenner's own linguistics expert used the term generically in

his testimony and specifically recognized in his report on confusion that the term means "modeling compound".

7. The testimony of the witnesses from both parties.

In addition, the Board found no actual confusion and "little merit" to Kenner's arguments relating to trade dress. It correctly found Rose Art's use of a rainbow motif to predate Kenner's, that yellow was used on many other products by Rose Art and on third-party competitive products, and that Rose Art's mascot "bears no resemblance" to Kenner's figure of a young boy's face.

With regard to the relationship between "FUN" and "PLAY", the similarities in meaning were noted. Although both marks in their

entireties suggest that the dough products are enjoyable to use, the Board concluded that the use of these terms in the respective marks was not be likely to cause confusion.

The Board found that PLAY-DOH is a famous mark. It noted this as a factor operating in Kenner's favor.

Kenner appealed the dismissal of the opposition to the United States Court of Appeals for the Federal Circuit, pursuant to 15 U.S.C. Sec. 1071, contending that the Board did not accord sufficient weight to the fame of PLAY-DOH and that some of the Board's findings were clearly erroneous. Kenner did not contend on appeal that the Board's finding of fact with respect to the generic nature of "DOUGH" or

its phonetic equivalent "DOH" was erroneous.

In a decision dated April 15, 1992, the Court of Appeals reversed the dismissal of the opposition, stating that the Board erred in discounting the import of the fame of the PLAY-DOH mark and improperly weighed the Dupont factors. In a footnote (page A-11), the court specifically stated that it "declined to opine" as to whether "dough" is generic in relation to water based modeling compounds, stating that it is unclear whether that issue "properly arose" before the Board.

REASONS FOR GRANTING THE WRIT

In determining likelihood of confusion between trademarks, the appearance, sound and meaning of the marks are compared and similarities such as common portions are noted. The Court of Appeals for the Federal Circuit and its predecessor court, The Court of Customs and Patent Appeals, have consistently held that when marks have a common portion, the ability of the common portion to function as a source indicator is an important factor in analyzing the relationship between marks. The degree to which the common portion can be associated exclusively with the senior user determines how likely use of that portion in the mark of the junior user is to result in consumer confusion.

The Board, as instructed by this clear precedent, carefully considered the similarities between FUNDOUGH and PLAY-DOH and determined that the only common portion of the marks is the generic term "DOUGH" or its phonetic equivalent "DOH". That factual finding was essential to its holding that no likelihood of confusion exists. The evidentiary basis for that finding was documented in detail in the decision.

On appeal, the CAFC refused to consider this central factual finding of the Board. It simply refused to deal with the very factual finding which it and its predecessor firmly established as an important if not controlling aspect of this type of inquiry.

By ignoring the central factual finding of the Board, without finding it to be clearly erroneous, the CAFC decision violates the rule to which reviewing courts are required to adhere. It also places in doubt what was heretofore considered to be the established criteria to be employed in determining likelihood of confusion.

The effect of the decision is undermine the Lanham Act and the principles of fair competition by placing in jeopardy competitors' free right to use public domain generic terms to name their products. Moreover, the decision is directly contrary to accepted case law which unequivocally holds that legally significant secondary meaning can never attach to a

generic term, regardless of how or to what extent a trademark containing that generic term has been exploited.

1. IN EXPLICITLY DISREGARDING THE CENTRAL FACTUAL FINDING OF THE TRIBUNAL BELOW, AS TO THE GENERICNESS ISSUE, AND HENCE INDUBITABLY NOT DETERMINING SUCH FACT TO BE CLEARLY ERRONEOUS, AND IN THEN PROCEEDING TO RULE WHILE SIMPLY TOTALLY IGNORING THAT CONTROLLING FACTUAL ISSUE, THE CAFC VIOLATED THE STANDARD OF REVIEW SET FORTH IN RULE 52(a) OF THE FEDERAL RULES OF CIVIL PROCEDURE.

Rule 52(a) of the Federal Rules of Civil Procedure unequivocally requires that findings of fact not be set aside by a reviewing court unless they are found to be clearly

erroneous. This Court in United States v United States Gypsum (1948) 333 US 364, 394-395, 68 S. Ct. 525, 92 L. ed. 746, set forth the correct scope of appellate review under Rule 52(a). Findings of fact may be reversed only when they are "clearly erroneous", that is, when the reviewing court, is "left with the definite and firm conviction that a mistake has been committed", See also Anderson v. City of Bessmer City, N.C. (1985) 105 S. Ct. 1504, 84 L. ed. 2d 518. A reviewing court may not set aside a finding of fact simply because it would have viewed the facts differently, Nee v. Linwood Securities Co. 174 F.2d 434 (CA8 1949).

The "clearly erroneous" standard applies to trademark and patent cases. A reviewing court must accept the findings of the Patent Office with regard to confusing similarity unless the contrary is established by convincing evidence, Aloe Creme Laboratories Inc. v. Texas Pharmacal Co. 335 F2d 72, (CA5, 1964). Findings of fact by the Patent Office are entitled to "great weight" by a district court, Stieq v. Comm'r of Patents 353 F2d 899 (CADC 1965). This is so with respect to findings regarding the generic nature of words, as well, Keebler Co. v. Rovira Biscuit Corp. 624 F2d 366 (CA 1, 1980).

In instances where the CAFC has ignored the standard of review set

forth in Rule 52(a), this court has granted a petition for certiorari, vacated the judgment and remanded to the Court of Appeals for further consideration in light of Rule 52 (a), Dennison Manufacturing Co. v. Panduit (1986) 106 S. Ct. 1578, 229 USPQ 478.

The CAFC in its decision did not conclude that any of the findings of fact of the Board were clearly erroneous. This includes factual findings concerning (a) the generic nature of the "DOUGH" or "DOH" as it relates to water based modeling compound, (b) that no actual confusion was proved and (c) that the use of the yellow trade dress by Rose Art was not an attempt to benefit from Kenner's good will or to capitalize on the popularity

of PLAY-DOH.

Moreover, Kenner on appeal did not contend that the findings with respect to the generic nature of "DOUGH" or lack of actual confusion were erroneous. Hence, these facts should have been considered to be conceded by the Court.

The CAFC, in its opinion, paid lip service to the proposition that it is bound by the Board's factual findings unless clearly erroneous, citing Stock Pot Restaurant v. Stock Pot, Inc. 737 F2d 1576, 1578, 222 USPQ 665, 666-7 (Fed. Cir. 1984). Yet, it departed from the accepted and usual course of judicial proceedings by declining to follow the Board's central factual finding as to the generic nature of "DOUGH". The Court did not consider this

factual finding to be erroneous. It did not consider this factual finding at all. It simply ignored it, commenting in a footnote that it declined to consider this issue because it was unclear whether it was properly raised before the Board!

Kenner never contended that the issue of the generic nature of "DOUGH" was not improperly raised before the Board. The Board obviously thought otherwise, as it devoted several pages of its decision to this issue, concluding: "This record establishes that 'dough' is a type of modeling compound which is water-based".

By disregarding the central factual finding of the Board, without determining that it was

erroneous, the Court ignored the mandate of Rule 52(a) and abused its discretion. Had it adopted this factual finding, as it is bound to do, it would have concluded, as the Board concluded, that the marks are not confusingly similar because the only common element is the generic "DOUGH" on its phonetic equivalent "DOH" which would be perceived by the public an indication of the nature of the product, not of common source.

2. THE SOURCE IDENTIFYING CAPABILITY OF THE COMMON PORTION OF TRADEMARKS IS AN IMPORTANT FACTOR IN DETERMINING LIKELIHOOD OF CONFUSION.

In situations where marks have a common portion, the CAFC and its predecessor have repeatedly held that the source identifying

capability of the common portion is an important factor to be considered in determining likelihood of confusion. The Federal Circuit's decision in EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc. 706 F2d 1213, 217 USPQ 986 (Fed. Cir. 1983) illustrates this point well. The Board had dismissed an opposition to register SUPER LOADER on the basis of prior use of EZ LOADER for identical goods (boat trailers) even though the latter was shown to be "famous" in that industry, having been in use extensively for thirty years.

The CAFC, in affirming the decision of the Board, held:

> ...that in determining likelihood of confusion, it was appropriate to consider 'that a portion of a mark (common to a corresponding portion of the mark of the other party) may be

> weak in the sense that it is descriptive, highly suggestive or in such common use by other traders in the same market as to not have very much effect in distinguishing source.' The Board stated that except for the common word "LOADER" which we also consider to be highly suggestive of the goods herein involved, the marks do not look or sound alike, nor do they have similar connotations (pg. 987).

In a similar situation, the CAFC affirmed the determination of the Board in Stoffer Corp. v. Health Valley National Foods, Inc. 1 USPQ 2d 1900 (TTAB, 1986) Aff'd App. No. 87-1292 (Fed. Cir. 1987 (unpublished)) involving LEAN CUISINE, a well known mark for low calorie foods. The Board held that LEAN LIVING was not confusingly similar, in spite of the fame of LEAN CUISINE:

We disagree with Opposer's conclusion that the marks are similar when considered in their entireties. The caveat that when considering likelihood of confusion, the involved marks must be considered in their entireties, does not preclude us from evaluating whether one feature of a mark may be more significant than another, as perceived by purchasers or prospective purchasers, in distinguishing source. E.g., Giant Food, Inc. v. Nation's Food Service Inc., 710 F.2d 1565, 218 USPQ 198 (Fed. Cir. 1983). Thus, in the case before us, since the words CUISINE and LIVING are markedly different in sound and appearance, it is significant in evaluating the likelihood of confusion to take into account that the only common feature of the two marks, i.e., the word LEAN, is at least, highly suggestive of both parties' goods. In fact, Opposer's own advertising and promotional literature, introduced as evidence herein, demonstrates that the significance of the word "lean" in relation to its line of food products is that they are expressly designed to be sufficiently low in calories, especially those calories derived from fat, to help one lose weight. (Pg. 1903).

Similarly, in Keebler Co. v. Murray Bakery Products 866 F2d 1386, 9 USPQ 2d 1736 (Fed. Cir. 1989), the CAFC affirmed the decision of the Board dismissing an opposition to the registration of PECAN SHORTEES on the basis of the use of the famous PECAN SANDIES mark for identical products (cookies). In doing so, Judge Markey quoted the portion of the Board's opinion noting that the main point of similarity between the marks was the word PECAN which was, "at least merely descriptive of a principal ingredient" of the cookies (pg. 1737).

These holdings are consistent with earlier rulings of the Court of Customs and Patent Appeals. For example, Textronix, Inc. v.

Daktronics, Inc. 189 USPQ 693 (CCPA, 1976) in which the decision of the Board was affirmed to the effect that the common use of "tronics" and "tronix" to convey the dictionary meaning (electronics) was insufficient to create a likelihood of confusion in marks used on competitive electronic products.

The courts have consistently held that where marks have a common portion, the source identifying capability of the common portion is to be considered as an important (if not controlling) factor in determining likelihood of confusion. Yet, in the decision of which review is sought, the CAFC ignored the clear precedent in this regard, rendering a decision which is in direct conflict with prior decisions

on the same issue.

3. THE COURT'S DECISION HAS THE EFFECT OF RESTRICTING FAIR COMPETITION AND UNDERMINING THE LANHAM ACT BY PROHIBITING COMPETITORS FROM USING GENERIC TERMS IN PRODUCT NAMES.

This case raises important questions regarding the scope and direction of federal trademark and unfair competition law. The CAFC decision not only brings into question the basic rules for evaluating likelihood of confusion, it unreasonably limits the rights of competitors entering a market to compete against a dominant brand.

A primary purpose of the Lanham Act (Title 15, United States Code) is to facilitate fair competition. In part, it does this by protecting

the public right to the free use of generic terms from restriction by private parties for economic advantage. Private interests have always been prohibited under the law from acquiring the right to control the use of the common name for a product. This is because such a right carries with it a de facto monopoly over a product the use or sale of which is not otherwise restricted by patent or copyright.

It is not unfair for competitors to capitalize on the popularity of a product, even where that popularity is a direct result of another's advertising efforts. To do this, all are allowed to use the generic name of the product. A finding of likelihood of confusion, therefore, cannot be properly based on Rose Art's the use of the generic

"DOUGH" in the name of its dough product, even if the phonetic equivalent "DOH" is part of a famous trademark.

The Court of Appeals simply refused to deal with the Board's central factual finding as to the generic nature of "dough". By that refusal, it, in effect, destroyed public ownership of this generic term. The Court upheld Kenner's private right to control this public "property", on the basis that Kenner had spent huge sums publicizing PLAY-DOH to make it famous. The decision as it stands provides a basis for private parties with dominant brands to obtain a substantial unfair advantage over competitors who seek to enter a field with a competitive product by

restricting the free use of generic terms.

4. NO AMOUNT OF SECONDARY MEANING CAN MAKE A GENERIC TERM PROTECTABLE.

It is a basic tenet of trademark law that no amount of secondary meaning can create a private right in a generic term, CES Publishing Corp. v. St. Regis Publications, Inc. 531 F2d 11, 188 USPQ 612 (CA2, 1975). A private party is not permitted to control the use of a term which is or has become generic. This is so even if the term is identified with that party. Otherwise, the financial ability to widely publicize a trademark would create the right to prevent competitors from describing their goods. Fair competition

requires that all competitors be free to use a generic term as a product name to inform potential customers as to the nature of the product.

It is contrary to public policy to permit the scope of trademark protection to increase proportionately with fame of the mark, without limitation, to a point beyond which competitors are prohibited from using a portion of the mark which is or has become the common name which the public and/or trade employs to describe the type of product. No commercial activity on behalf of a private interest, no amount of fame or secondary meaning, can result in a right to prevent competitors from using the common name of a product as part of a

product name.

The doctrine that generic terms are inherently incapable of being protectable marks has been firmly established. The U.S. Patent and Trademark Office and most federal courts have adopted that view, Callman Unfair Comp., Trademarks & Monopolies Sec. 19.29.50 (4th Ed) pg. 252.

A generic word refers to a category or type of product instead of a particular source of the product. A generic term can never become a valid trademark, Park 'N Fly, Inc. v. Dollar Park and Fly Inc. 469 US 189, 105 S.Ct. 658, 83 L. ed. 2d 582 (1985), McGregor-Doniger, Inc. v. Drizzle Inc. 559 F2d 1126, 202 USPQ 81 (CA2, 1976).

Although no provision of the Lanham Act expressly bars a generic word from registration, 15 USC 1064(3) sanctions the cancellation of a registered mark which becomes "the generic name for the goods..." 15 USC 1065(4) mandates that no incontestable rights shall attach to any mark which is "the generic name for the goods..."

Whether a word is used by the public generically is an issue of fact, WSM, Inc. v. Hilton, 724 F2d 1320, 221 USPQ 410 (CA8 1984). To be generic, it is not necessary that the term be the only apt or common name for the goods, or that the term be universally recognized as such, In re Minnetonka, 212 USPQ 772 (TTAB, 1981), rev'd other grounds, 3 USPQ 2d 1711 (TTAB, 1987). However,

where, as here, there is no other name for the category of goods, the rationale against preventing the use of the generic term by others in a product name to refer to the goods becomes even more evident. In fact, in such a situation, it is often difficult, if not impossible, to prevent the mark from becoming generic. Public acceptance of the word can be so complete that there are no other words by which the product can be identified, see Bayer Co. v. United Drug Co. 272 F Supp. 505 (SDNY, 1921) ("aspirin" held generic) and DuPont Cellophane Co. v. Waxed Products Co. 85 F2d 75 (CA2, 1936) cert den 299 US 601 (1936) ("cellophane" held generic).

Even where the public has come to associate a generic word with a single source due to exclusive use over a period of time, that cannot take the generic word out of the public domain, J. Kohnstam Ltd. v. Louis Marx & Co., Inc. 280 F2d 437, 126 USPQ 362 (CCPA 1960). The fame of PLAY-DOH cannot extract "dough" from the language nor can it prevent others from using this term as a part of a product name which aptly refers to the nature of the product.

One may not stop others from using a generic term regardless of the promotional effort which has been expended to exploit it, CES Publishing, Supra. pg. 37, Henry Heide, Inc. v. George Ziegler Co., 354 F2d 574, 147 USPQ 383 (CA7, 1965). Yet, that is precisely the

effect of the CAFC's decision. It restricts the use of the generic "dough" by Rose Art as a product name because the brand leader Kenner has promoted PLAY-DOH to the point where it has attained "fame". As a result, Rose Art is put at a competitive disadvantage. It cannot use its mark as a vehicle for informing the consumer as to the nature of the product. It cannot capitalize on the popularity of the product, which it is entitled to do, even if the product was made popular by Kenner.

CONCLUSION

The decision of the Court of Appeals reversing the dismissal of the opposition by the Trademark

Trial and Appeal Board should be reviewed by this court to determine whether the CAFC, as the reviewing court, has departed from the accepted and usual course of judicial proceedings by not properly adhering to the statutory standard for appellate review set forth in Fed. R. Civ. P. 52(a). Whether the decision follows the established rules of evaluating likelihood of confusion should be considered. It should also be determined whether the decision is in accord with the basic tenets of the trademark law, the provisions of the Lanham Act and the principles of fair competition with respect to the private

acquisition of rights in generic terms.

Dated: June 30, 1992

Respectfully submitted,

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APPENDIX

United States Court of Appeals
for the
Federal Circuit

91-1399

KENNER PARKER
TOYS INC.,

Appellant,

v.

ROSE ART INDUSTRIES, INC.,

Appellee.

Judgment

ON APPEAL from the United States Patent & Trademark Office/Trademark Trial and Appeal Board

in CASE NO(S). Opposition No. 75,237

This CAUSE having been heard and considered, it is ORDERED and ADJUDGED:

REVERSED

ENTERED BY ORDER OF THE COURT

DATED APR 15 1992

/s/ Francis X. Gindhart

Francis X. Gindhart, Clerk

ISSUED AS A MANDATE: May 6, 1992

United States Court of Appeals

for the

Federal Circuit

91-1399

Opposition No. 75,237

KENNER PARKER TOYS INC.,

Appellant,

v.

ROSE ART INDUSTRIES, INC.,

Appellee.

Steven M. Weinberg, Weiss, Dawid, Fross, Zelnick & Lehrman, P.C., of New York, New York, argued for appellant. With him on the brief was *Carol F. Simkin*.

Robert L. Epstein, James & Franklin, of New York, New York, argued for appellee. With him on the brief was *Harold James*.

Appealed from: U.S. Patent and Trademark Office
Trademark Trial and Appeal Board

United States Court of Appeals

for the

Federal Circuit

91-1399

Opposition No. 75,237

KENNER PARKER TOYS INC.,

Appellant,

v.

ROSE ART INDUSTRIES, INC.,

Appellee.

DECIDED: April 15, 1992

Before MAYER, CLEVENGER, and RADER, *Circuit Judges*.
RADER, *Circuit Judge*.

Kenner Parker Toys Inc. opposed Rose Art Industries's registration of the mark FUNDOUGH for modeling compound and related accessories. The Trademark Trial and Appeal Board

dismissed the opposition discerning little, if any, likelihood that consumers would confuse FUNDOUGH with Kenner's PLAY-DOH mark. Because the Board treated the fame of Kenner's mark as a liability and otherwise improperly weighed the factors showing confusing similarity, this court reverses.

Background

Rainbow Crafts, one of Kenner's predecessors, first used the trademark PLAY-DOH for a modeling compound over thirty years ago. Kenner owns five federal registrations of the PLAY-DOH mark, four of which are incontestable. In Registration No. 650,035, Kenner's mark for modeling compound appears as follows:

In Registration No.1,221,942, Kenner's mark for modeling compound and associated toys appears as follows:

Kenner now sells PLAY-DOH modeling compound nationwide in toy stores, school supply stores, grocery stores, drug stores, department stores, hobby shops, and other retail outlets. PLAY-DOH products comprised 10-15% of Kenner's total sales. In 1988, sales of PLAY-DOH products exceeded $30 million. Kenner spent over $2 million that year in advertising and promotion for products with the PLAY-DOH mark. At one time the toy industry's most advertised products, PLAY-DOH toys comprised 60-70% of the modeling compound market.

In the two- to seven-year-old age group, one in every two children currently owns a PLAY-DOH product. A survey

showed that 60% of mothers named PLAY-DOH for modeling compound without any prompting. One witness characterized PLAY-DOH as a "piece of gold" which has lasted over thirty years as a successful toy – a very unusual occurrence in the toy business.

Kenner sells PLAY-DOH modeling compound in a 4-pack assortment, an 8-can RAINBOW PACK, and a 3-pound tub. Kenner also sells a variety of accessories, like molds and extruders, for use with PLAY-DOH modeling compound. In the early 1960's, Kenner's packaging began to include a fanciful character known as the PLAY-DOH boy.

The applicant, Rose Art, sells children's art and craft supplies – crayons, paints, chalkboards, stationery, and the like. In the mid-1980's, Rose Art decided to develop a water-based modeling compound. In January 1986, Rose Art adopted and began using the following mark on its modeling compound:

FUNDOUGH

Rose Art sells its goods to many of the same retail outlets as Kenner – discount and chain toy stores, supermarkets, hobby shops, and schools. Rose Art promotes its products in catalogs and at trade shows. Rose Art does no television or print advertising of FUNDOUGH products. Although Rose Art did no widescale advertising, FUNDOUGH modeling compound sales rose from $50,000 in 1987 to over $500,000 in 1988.

Rose Art sells FUNDOUGH modeling compound in 2, 3, and 4-pack assortments. Rose Art also sells a variety of accessories, molds and extruders, similar to the PLAY-DOH products. The 1988-89 product line marked the introduction of a full line of FUNDOUGH products in connection with a bird mascot MR. DOUGH DOUGH.

In March 1986, Rose Art sought registration of its FUNDOUGH mark. Kenner opposed the mark as likely to

cause confusion with PLAY-DOH. The Board dismissed Kenner's opposition. Kenner appealed.

Analysis

I.

Though accepting the Board's factual findings unless clearly erroneous, *Stock Pot Restaurant v. Stockpot Inc.*, 737 F.2d 1576, 1578, 222 USPQ 665, 666-67 (Fed. Cir. 1984), this court reviews the Board's ultimate conclusions about confusing similarity as questions of law. *Sweats Fashions v. Pannill Knitting Co.*, 833 F.2d 1560, 1565, 4 USPQ2d 1793, 1797 (Fed. Cir. 1987); *Specialty Brands v. Coffee Bean Distribs.*, 748 F.2d 669, 671, 223 USPQ 1281, 1282 (Fed. Cir. 1984); *Giant Food v. Nation's Foodservice*, 710 F.2d 1565, 1569, 218 USPQ 390, 394 (Fed. Cir. 1983).

A trademark owner may oppose the registration of any competing mark "likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1052(d) (1988). The test for likelihood of confusion does not focus on similarity of competing marks in the abstract. Rather the test evaluates objective evidence that the competing marks, when used in the marketplace, are likely to confuse the purchasing public about the source of the products. *Paula Payne Prods. Co. v. Johnson Publishing Co.*, 473 F.2d 901, 902, 177 USPQ 76, 77 (CCPA 1973).

The test for likelihood of confusion requires the Board and this court to consider evidence on a wide variety of factors. *In re I.E. duPont deNemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (CCPA 1973). Specifically, this court considers the thirteen factors set forth in the *duPont* case. *Id.* As dictated by the evidence, different factors may play dominant roles in determining likelihood of confusion. *Nina Ricci, S.A.R.L. v. E.T.F. Enters.*, 889 F.2d 1070, 1073, 12 USPQ2d 1901, 1903 (Fed. Cir. 1989).

II.

The fifth *duPont* factor, fame of the prior mark, plays a dominant role in cases featuring a famous or strong mark.

Famous or strong marks enjoy a wide latitude of legal protection. *SureFit Prods. Co. v. Saltzson Drapery Co.*, 254 F.2d 158, 160, 117 USPQ 295, 296 (CCPA 1958). This court's predecessor stated:

> It seems both logical and obvious to us that where a party chooses a trademark which is inherently weak, he will not enjoy the wide latitude of protection afforded the owners of strong trademarks. Where a party uses a weak mark, his competitors may come closer to his mark than would be the case with a strong mark without violating his rights.

Id. at 160. Thus, a mark with extensive public recognition and renown deserves and receives more legal protection than an obscure or weak mark.

Achieving fame for a mark in a marketplace where countless symbols clamor for public attention often requires a very distinct mark, enormous advertising investments, and a product of lasting value. After earning fame, a mark benefits not only its owner, but the consumers who rely on the symbol to identify the source of a desired product. Both the mark's fame and the consumer's trust in that symbol, however, are subject to exploitation by free riders.

A competitor can quickly calculate the economic advantages of selling a similar product in an established market without advertising costs. These incentives encourage competitors to snuggle as close as possible to a famous mark. This court's predecessor recognized that a mark's fame creates an incentive for competitors "to tread closely on the heels of [a] very successful trademark." *Planters Nut & Chocolate Co. v. Crown Nut Co.*, 305 F.2d 916, 920, 134 USPQ 504, 508 (CCPA 1962). Recognizing the threat to famous marks from free riders, this court's predecessor allowed "competitors [to] come closer" to a weak mark. *Sure-Fit Prods.*, 254 F.2d at 160. A strong mark, on the other hand, casts a long shadow which competitors must avoid. *See, e.g., Nina Ricci*, 889 F.2d at 1074.

Thus, the Lanham Act's tolerance for similarity between competing marks varies inversely with the fame of the prior mark. As a mark's fame increases, the Act's tolerance for similarities in competing marks falls. For this reason, this court emphasizes:

> When an opposer's trademark is a strong, famous mark, it can never be "of little consequence". The fame of a trademark may affect the likelihood purchasers will be confused inasmuch as less care may be taken in purchasing a product under a famous name.

Specialty Brands, 748 F.2d at 675; *see also B.V.D. Licensing v. Body Action Design*, 846 F.2d 727, 730, 6 USPQ2d 1719, 1722 (Fed. Cir. 1988) (Nies, J., now C.J., dissenting) ("a purchaser is less likely to *perceive* differences from a famous mark.") (emphasis in original). In accord with the same principles, this court states:

> [T]here is "no excuse for even approaching the well-known trademark of a competitor . . . and that all doubt as to whether confusion, mistake, or deception is likely is to be resolved against the newcomer, especially where the established mark is one which is famous. . . ."

Nina Ricci, 889 F.2d at 1074 (quoting *Planter's Nut*, 305 F.2d at 924-25).

The Board erred in discounting the import of Kenner's famous prior mark. The Board acknowledged "the renown of opposer's mark with respect to modeling compound." Indeed, Rose Art conceded this fame. Yet the Board treated that fame as a liability in assessing likelihood of confusion. Reasoning that consumers might more easily recognize variances from a famous mark, the Board concluded that the fame of Kenner's mark permitted greater, rather than less, legal tolerance for similar marks.

While scholars might debate as a factual proposition whether fame heightens or dulls the public's awareness of variances in

marks, the legal proposition is beyond debate. The driving designs and origins of the Lanham Act demand the standard consistently applied by this court – namely, more protection against confusion for famous marks.

Even in their earliest common law origins,[1] trademarks functioned to benefit both producers who invest their good will and capital in a trademark and consumers who rely on those symbols. *See United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (A trademark's "function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his."). By identifying the source of products, a trademark brought consumers back often to buy from a reliable producer and thus provided economic rewards for excellence. Thus, trademarks both encourage quality products and reduce consumers' costs for market searches. At the same time, trademarks protected investments of property owners and ensured proper return to those who invested work and capital. *See Trade-Mark Cases*, 100 U.S. 82, 92 (1879) (In analyzing "[t]he whole system of trade-mark property," the Court designated a trademark as a "property right."); *cf. Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916) ("trade-marks. . . classed among property rights").

These manifold purposes and benefits of the Lanham Act only operate, however, if investments to secure a strong, recognizable mark bring the reward of certain legal protection. If investors forfeit legal protection by increasing a mark's fame, the law would then countenance a disincentive for investments in

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[1] *See* 1 Jerome Gilson, *Trademark Protection & Practice* § 1.01 (1990) for a discussion of *Southern v. How*, a 1618 opinion by English Common Pleas Judge Doderidge. In this earliest reference to trademarks in the King's courts, the Judge sustained the action of a high-quality clothier against a maker of ill-made cloth who affixed the mark of the high-grade clothier to inferior products. This early case illustrates that trademarks function as guarantors of quality, suppliers of information to consumers seeking a reliable source of products, insurers of proper allocation of reward to investors in the good will and reputation of a trade name, in short, preservers of property rights and responsibilities.

trademarks. The law is not so schizophrenic. In consonance with the purposes and origins of trademark protection, the Lanham Act provides a broader range of protection as a mark's fame grows.

The Board erred by reading a statement from *B.V.D.* to undercut the legal standard for famous marks. *See* 846 F.2d at 729. ("The fame of a mark cuts both ways with respect to likelihood of confusion. The better known it is, the more readily the public becomes aware of even a small difference.") Even a summary examination of this court's treatment of famous marks, however, shows that the Board read that statement out of context. Both before and after *B.V.D.*, this court has consistently afforded strong marks a wider latitude of legal protection than weak marks. For cases before *B.V.D.*, *see*, *e.g.*, *Sure-Fit*, 254 F.2d at 158; *Planter's Nut*, 305 F.2d at 924-25; *Specialty Brands*, 748 F.2d at 674. For a case after *B.V.D.*, *see Nina Ricci*, 889 F.2d at 1074. Indeed, the Board's misreading of *B.V.D.* also conflicts with its own precedent before and after *B.V.D. See*, *e.g.*, *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895, 1900 (Trademark Trial & Appeal Bd. 1990) ("[C]ase law holds that a well-known or famous mark is entitled to a broader scope of protection than one which is relatively unknown."); *R.J. Reynolds Tobacco Co. v. R. Seelig & Hille*, 201 USPQ 856, 860 (Trademark Trial & App. Bd. 1978) ("It is well recognized that the law today rewards a famous or well known mark with a larger cloak of protection than. . .a lesser known mark."); *General Foods v. ITT Continental Baking Co.*, 196 USPQ 189 (Trademark Trial & App. Bd. 1977). The holding of *B.V.D.*, to the extent it treats fame as a liability, is confined to the facts of that case.

An examination of the competing marks in this case illustrates well the significance of a famous mark in assessing the *duPont* factors. PLAY and FUN, in the overall context of these competing marks, convey a very similar impression. Both are single syllable words associated closely in meaning. Particularly in the context of a child's toy, the concepts of fun and play tend to merge. In context, the prefixes PLAY and FUN seem at

least as similar as TREE and VALLEY or ISLAND and VALLEY – components of the confusingly similar marks SPICE TREE and SPICE VALLEY, *Spice Islands v. Frank Tea & Spice Co.*, 505 F.2d, 1293, 184 USPQ 35 (CCPA 1974), and the confusingly similar marks SPICE ISLAND and SPICE VALLEY, *Specialty Brands*, 748 F.2d at 676. Indeed the Board acknowledged "similarities in meaning between the terms 'PLAY' and 'FUN.' "

The single-syllable suffixes DOH and DOUGH[2] sound the same. In light of a modern trend to simplify the spelling of "gh" words, consumers may even perceive one as an interchangeable abbreviation for the other. Again, the Board alluded to the unrebutted testimony of Dr. William Steward who noted the "graphic confusability" of these two terms.

Despite the dangers that consumers may receive the same commercial impression from both marks, the Board incorrectly discounted the evidence of similarity due to the fame of PLAY-DOH. In a correct assessment of the *duPont* factors, the fame of PLAY-DOH should have magnified the significance of these similarities. In the context of a far less famous mark – FUN FACTORY – the Board properly perceived PLAY FACTORY as confusingly similar. *General Mills Fun Group v. Channel Cos.*, 183 USPQ 367 (Trademark Trial App. Bd. 1974). Giving proper weight to the strength of Kenner's mark, this court reaches a similar result in this case.

III.

Examination of several other *duPont* factors underscores the Board's error in discounting the fame of opposer's mark. The marks PLAY-DOH and FUNDOUGH are used for practically identical products, namely modeling compounds and related modeling accessories. *See, e.g., Specialty Brands*, 748 F.2d at 672. Both Kenner and Rose Art market their products in

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[2] This court declines to opine about whether "dough" is generic in relation to water-based modeling compounds because it is unclear that this issue properly arose before the Board.

practically identical channels of trade, namely toy outlets. *Id.* Kenner's lengthy and extensive use of the PLAY-DOH mark on a wide variety of toy products emphasizes the mark's fame and strength.

Both marks appear on inexpensive products purchased by diverse buyers without exercising much care. This factor accentuates the significance of a famous mark. *Id.* at 676.

In the event of doubts about the likelihood of confusion, the Board and this court should resolve those doubts against the newcomer, *Geigy Chemical v. Atlas Chemical Industry*, 438 F.2d 1005, 1008, 169 USPQ 39, 40 (CCPA 1971); *Planters Nut*, 305 F.2d at 920, especially when the established mark is famous. *Nina Ricci*, 889 F.2d at 1074. In sum, application of the various *duPont* factors to this case suggests that the Board erred as a matter of law in concluding that FUNDOUGH is not confusingly similar to PLAY-DOH. The Board was wrong to disregard this glaring evidence and resolve doubts in the applicant's favor.

Adding to the overall similarity of the competing marks' commercial impression discussed above is the similarity of trade dress. As this court has stated:

> Ordinarily, for a word mark we do not look to the trade dress, which can be changed at any time. *Vornado Inc. v. Breuer Electric Mfg. Co.*, 390 F.2d 724, 156 USPQ 340, 342 (CCPA 1968). But the trade dress may nevertheless provide evidence of whether the word mark projects a confusingly similar commercial impression.

Id. at 674. The multitude of similarities in the trade dress of PLAY-DOH and FUNDOUGH products cries out for recognition. The color (dominated by yellow), size, and shape of the packaging for both products is the same. Comparable fictitious characters in a hat adorn the packaging of both products. Both products feature promotions — discounts, rebates, and the like — in a circle with serrated edges. The marks themselves appear in coinciding locations on both products' packages. The

instructions and color charts on both packages are nearly identical. Both products display a rainbow motif. These trade dress features and more – original to PLAY-DOH – have appeared on products bearing the FUNDOUGH mark. The trade dress of the marks enhances their inherently similar commercial impression.

Conclusion

Kenner has shown that the FUNDOUGH mark when used in connection with toy molding compounds and related accessories is likely to cause confusion, mistake, or deception. In discounting the import of the famous PLAY-DOH mark and in improperly weighing the *duPont* factors, the Board erred. Therefore, the Board's dismissal of Kenner's opposition is

REVERSED.

Hearing:
April 17, 1991

Hassan
Paper No.

U. S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Kenner Parker Toys Inc.
v.
Rose Art Industries, Inc.

Opposition No. 75,237, to application Serial No. 73/588,996, filed March 20, 1986

John M. Wilke, Carol F. Simkin of Weiss Dawid Fross Zelnick & Lehrman, P.C. for Kenner Parker Toys Inc.

Harold James and Robert L. Epstein of James & Franklin for Rose Art Industries, Inc.

Before Simms, Cissel and Hohein, Members.

Opinion by Simms, Member:

Kenner Parker Toys Inc. (opposer), a Delaware corporation, has opposed the application of Rose Art Industries, Inc. (applicant), a New Jersey corporation, to register the mark shown

below for toys, namely, modeling compound and related accessories for use with modeling compound sold as a unit.[1]

FUNDOUGH

In the notice of opposition, opposer charges that applicant's mark so resembles the mark PLAY-DOH, previously used and registered by opposer and its predecessors for modeling compound products and accessories, as to be likely to cause confusion, to cause mistake or to deceive. More particularly, opposer asserts that it and its predecessors have used the mark for over thirty years, that sales of PLAY-DOH products since 1978 have exceeded $150 million with advertising expenditures exceeding $10 million and that the respective products of the parties travel in the same channels of trade to the same class of purchasers. In its answer, applicant has denied the essential allegations of the opposition.

The record of this case consists of copies of pages of dictionaries, five of opposer's pleaded registrations covering the mark PLAY-DOH and PLAY-DOH and design, applicant's discovery responses, and a discovery deposition of applicant's president, all made of record by opposer's notices of reliance; copies of numerous third-party registrations relied upon by applicant's notice; discovery depositions of third-party witnesses made of record pursuant to stipulation; testimony (and exhibits) taken by both parties; and the application file. The parties have filed briefs and an oral hearing of argument was held.

According to opposer's record, the trademark PLAY-DOH was first used by Rainbow Crafts, one of opposer's predecessors, for a modeling compound used to create molded characters and figures. General Mills acquired the mark in 1965 when that company bought Rainbow Crafts. The opposer itself was acquired by General Mills in 1967 and opposer assumed responsibility

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[1] Application Serial No. 73/588,996, filed March 20, 1986, claiming use since February 13, 1986.

for the PLAY-DOH line in 1971. Over the years, other toys and accessories were added to this line of products. Opposer's mark is used in the manner shown below.

According to opposer's record, PLAY-DOH modeling compound is sold in such retail stores as mass merchandisers, toy retailers, hobby shops, school supply stores, grocery stores, drug stores and some department stores. (Kent dep., 20). Opposer's goods have been advertised on television and in women's magazines as well as in various trade publications. The goods have also been the subject of joint promotional efforts with a cereal and with products of McDonald's Corporation and others. In connection with the McDonald's promotional campaign, over 20 million cans of modeling compound were distributed. Opposer's goods have also been displayed at toy fairs and have been the subject of numerous articles in the popular press. Under licenses opposer sells PLAY-DOH kits which recreate characters from Walt Disney movies as well as other popular movies such as "Ghostbusters."

The PLAY-DOH line of products comprises ten to fifteen percent of opposer's total sales. In 1988 wholesale sales of this product exceeded $30 million, while over $2 million was spent in advertising and promotion. At one time the most advertised product in the toy industry (Mendelsohn dep., 21), the PLAY-DOH product is still well known in the toy field and is a market leader with sixty to seventy percent of the modeling compound market (Mendelsohn dep., 142). There is a high unaided brand awareness of this toy. According to a former officer of opposer, this "piece of gold" has lasted over thirty years as a successful toy, a very unusual occurrence in the toy business (Mendelsohn dep., 61-62). Repeat purchases are common partially because the product is used up.

Applicant, located in Bloomfield, New Jersey, sells children's art and craft materials including crayons, paints, chalkboards and stationery. In the 1960s, applicant began selling clay modeling compound. In the mid-1980s, applicant decided to develop a water-based compound. After examining competitive compounds already on the market, applicant attempted to develop a product which was softer, more pliable and less flaky than others. (Rosen discovery dep., 118). In January 1986, applicant adopted and began using the mark FUNDOUGH on these goods when it shipped goods bearing this mark. Applicant also displayed its new modeling compound bearing the mark at a toy fair in 1986. However, because of problems with formulation of the product, shipments in commercial quantities did not begin until August 1987.

With respect to the reasons behind the selection of the mark FUNDOUGH (sometimes displayed as two words), applicant's president, Mr. Lawrence Rosen, testified:

149 A. I thought it was a good name for the product. It described the product, what the product was, meaning a dough, and a feeling that you could have if you were to use the dough.

150 Q. What do you mean by a "feeling"?

A. Well, when you use the product you can – it's a way of expressing how you feel when you use it.

151 Q. Did this name tie in with any, the names of any other products you were selling?

A. Yes. We based our, also based our name on the success of one of our largest selling products, which was our Fun Kit, which was an activity set that we offered for sale and was a tremendous winner for the company. Also "fun" is a very commonly used name throughout the toy industry, and I felt was a natural name for the product. (Rosen dep., 52-53)

The word "FUN" is also incorporated into other marks of applicant and is also used by applicant in a nontrademark sense ("Clean, Colorful, Creative Fun!").

Applicant's goods are sold to discount and chain toy stores as well as to supermarkets and schools (nursery, kindergarten, day care and elementary). Applicant's goods are promoted by means of its catalogs as well as at trade shows. Sales of the FUNDOUGH compound rose from $50,000 in 1987 to $500,000 in 1988.

Mr. Rosen testified that there are three basic modeling compounds – clay, an oil-based product; putty, a silicone-based product; and dough, a water-based product. (Rosen dep., 28-29). Applicant offers all three products under the following marks: PLAY CLAY, CRAZY PUTTY and FUNDOUGH. According to Mr. Rosen, the term "dough" is a descriptive term for applicant's modeling compound. Mr. Rosen used the term descriptively or generically throughout his discovery and testiment depositions. See, for example, Rosen discovery deposition, 40, 50, 63, 70, 86, 108, 120, 130, 153, 162, 184 and Rosen testimony deposition at 10, 22, 33-36, 41, 50, 65, 71, 163, 167-68, 190-91. Both opposer's and applicant's witnesses testified concerning the existence of such third-party marks as CHEMTOY FUN-DOH (discontinued in 1978), COLOR DOUGH (apparently no longer used), HAPPY DOUGH, CRAFT DOUGH, SUPER DOUGH, and SUPER COLOR DOUGH.[2] Indeed, it appears that virtually all manufacturers of water-based compounds use "DOUGH" or its phonetic equivalent as part of their brand names. Mr. Rosen testified that he has seen some of the third-party goods advertised on TV.

Applicant's witness also testified concerning third-party marks for various toys which incorporate the word "PLAY." These include PLAYTIME, PLAYSKOOL, PLAYMOBILE, PLAYWORLD and PLAYLAND. Applicant also made of record numerous third-party registrations in an attempt to show that

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[2] Opposer's argument at the oral hearing that there is no evidence of third-party *use* of these marks is incorrect. The testimony of applicant's witnesses and admissions by opposer's witnesses establish their use to our satisfaction.

the words "FUN," "PLAY" and "DOUGH" have been frequently registered components of marks for various games, toys and playthings.

Finally, witnesses for both parties have testified that they are aware of no instances of actual confusion.

There is no issue with respect to priority. Not only has opposer relied upon appropriate copies of its pleaded registrations, but also the testimony demonstrates opposer's prior use of the term PLAY-DOH in connection with its modeling compounds and accessories. Moreover, there can be no question but that, for our purposes, the goods of the parties must be considered substantially identical, and are sold in the same types of retail outlets.

With respect to the marks, however, we believe that applicant's mark is sufficiently different from opposer's mark that confusion is unlikely. We base this conclusion in part upon the fact that the only common element in the marks is the generic element "DOUGH," or its phonetic equivalent "DOH" in the suffix of opposer's mark. This record establishes that "dough" is a type of modeling compound which is water-based. According to Mr. Rosen's testimony, this type of compound is commonly called "dough" to distinguish it from, for example, oil-based compounds commonly referred to as "clay." In a 1958 advertisement (Ex. 1B), opposer itself used the generic term "modeling dough" to describe its product. See also opposer's Ex. 3, p. 15. Applicant's Exhibits 124 and 125, copies of packaging of a CHEMTOY FUN-DOH kit bearing a 1974 copyright, refer to this product as "modeling dough" and "dough." See also Rosen Ex. 25 and 26 and applicant's Ex. 7. In one of opposer's exhibits (Exhibit 11), an internal memorandum, this competitor's product was referred to as "modeling dough" and "dough". In a third-party registration covering modeling clay, the term "Dough" was disclaimed. Opposer's linguistics expert also uses this terms generically in his testimony (28, 49 and 105) and recognizes in his report, 8, that the term means "modeling compound."

If the only common element in marks is a generic term, such similarity is generally insufficient to cause likelihood of confusion because the generic matter is not likely to be understood by the public as an indication of common affiliation or trade identity, but rather is likely to be viewed as indicative of the nature or characteristic of the product. Differences in the remaining parts of the marks are likely to avoid confusion in such cases. See, for example, In re National Data Corporation, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985), Claremont Polychemical Corp. v. Atlantic Powdered Metals, 480 F.2d 877, 179 USPQ 37 CCPA 1973) (ETERNAGOLD and DURAGOLD), Bourns, Inc. v. General Scientific Corp., 361 F.2d 482, 149 USPQ 840 (CCPA 1966) (KWIK-TRIM and E-Z-TRIM) and Maine Savings Bank v. First Banc Group of Ohio, Inc., 220 USPQ 736, 738 (TTAB 1983) and cases cited there. (Indeed, opposer does not object to applicant's use of the term "DOUGH" per se in its mark.) Given this fact and the fact that consumers, presumably aware of the use of other marks containing this generic word or its phonetic equivalent, would look to the remaining portions in an effort to distinguish source, we believe that the sound and appearance of the respective marks are sufficiently dissimilar. Moreover, we note that applicant, aware of opposer's mark, avoided adopting the somewhat distinctive misspelling of "DOUGH" ("DOH") used by opposer. It should also be observed that applicant has adopted its own distinctive lettering style with a black outline. In view of these differences, we conclude that applicant's mark presents a sufficiently different commercial impression from that made by opposer's.[3]

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[3] At the oral hearing, opposer's attorney for the first time advanced the argument that confusion was likely because of opposer's use of the word "FUN" in connection with some of opposer's PLAY-DOH goods (e.g., PLAY-DOH FUN FACTORY). It is apparently opposer's position that purchasers are likely to believe that applicant's goods emanate from opposer as a result of this use. Aside from the fact that this argument was not made in opposer's briefs, this record shows that others, including applicant, had previously used this term both descriptively and as a part of other marks for toys so that purchasers are not likely to associate the term "FUN" exclusively with opposer.

We are, of course, cognizant of the similarities in meaning between the terms "PLAY" and "FUN" in the respective marks. At the oral hearing, applicant conceded that, while the marks have specifically different meanings, they share "a general related message." In this regard we have reviewed the testimony of Professor William Stewart, professor of linguistics at the City University of New York, who testified concerning the "high likelihood of linguistic confusability" (38) of the respective marks, especially in view of his belief in the "semantic confusability" (meaning) and "substitutability" of "PLAY" and "FUN" (64-5), and the "graphic confusability" (65) of "DOH" and "DOUGH," but remain of the belief that confusion is unlikely. Profesor Stewart testified that for children fun is manifested in play; in other words, the way children have fun is to play (106-7). However, we note that the report of Professor Stewart does not deal with the differences in sound and appearance between the respective marks, apparently because in linguistic theory the similarity in meaning is considered to predominate. While there can be no doubt that both marks in their entireties suggest that the parties' dough products are enjoyable to use, as one of opposer's witnesses testified, the terms "play" and "fun" are not usually interchanged in everyday speech and we believe their use in the respective marks will not be likely to cause confusion. First, in view of the renown of opposer's mark, we believe few would pause to analyze any similarity in meaning of the prefixes "PLAY" and "FUN" in the marks. Rather, purchasers, viewing the marks in their entireties, are likely to immediately recognize the substantial differences. See B.V.D. Licensing Corp. v. Body Action Design Inc., 846 F.2d 727, 6 USPQ2d 1712, 1721 (Fed. Cir. 1988) ("The fame of a mark cuts both ways with respect to likelihood of confusion. The better known it is, the more readily the public becomes aware of even a small difference.") Finally, as noted above, the prefixes "PLAY" and "FUN" are not equivalents or exact synonyms, and any similarity in connotation must be weighed against dissimilarities in sound and appearance. See In re Sarkli, Ltd., 721 F.2d 353, 220 USPQ 111, 113 (Fed. Cir. 1983) and In re Buckner Enterprises Corp., 6 USPQ2d 1316 (TTAB 1988). General Mills Fun Group, Inc. v. Channel Companies, Inc.,

183 USPQ 367 (TTAB 1974), involving the marks PLAY FACTORY and FUN FACTORY, relied upon by opposer in its brief, is inapposite for the reasons noted by applicant.

We have also considered the renown of opposer's mark with respect to modeling compound (conceded by applicant) and, while a factor operating in opposer's favor, this fame does not persuade us to reach a contrary result. In this regard, we find applicant's argument (brief, 35) persuasive:

> The fame which Opposer claims for its mark has so familiarized the public with the PLAY-DOH name and logo that any deviation is immediately detected and perceived as different. A glance at FUNDOUGH in Design advises the observer that this product is from a different source than PLAY-DOH because of the obvious differences in appearance, sound and meaning between the marks and the commercial impressions created by each. These differences are made more noticeable because of extreme familiarity with PLAY-DOH: many adults purchasing the product having played with it as a child or purchased it repeatedly for their children. Such consumers are simply not likely to be confused because of their long term acquaintance with Opposer's mark.

See also B.V.D. Licensing Corp. v. Body Action Design Inc., supra.

We have also considered other arguments offered by opposer. Opposer has argued, for example, that applicant adopted not only a confusingly similar trademark but also other package dress elements including a rainbow, the color yellow and the use of a character to introduce applicant's product, all in an attempt to benefit from opposer's goodwill and to capitalize on the popularity of opposer's products. For the reasons noted by applicant, we find little merit in these arguments.[4]

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[4] It appears from this record that applicant began using a rainbow motif (or the word "RAINBOW") on its FUNDOUGH prototype packages in 1985 and

(Footnote continued)

Decision: The opposition is dismissed.

/s/ R.L. Simms
R. L. Simms

/s/ R.F. Cissel
R. F. Cissel

/s/ G.D. Hohein
G. D. Hohein
Members, Trademark
Trial and Appeal Board

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on other goods in its product line (markers, finger paints) in 1984 and '85, and even earlier in catalogs. See Applicant's Ex. 120. These uses predate opposer's first use of similar designs (Fall 1986). See Rosen test. dep., 73, 116 and 124-26. Also, while both parties use a yellow background on their products, the packages as a whole are different. Moreover, yellow packaging and black stripes were used on many other goods of applicant in the early and mid-1980s and on third-party products such as the COLOR DOUGH compound. See Rosen test. dep., 16-17. Finally, MR. DOUGH DOUGH, the egg-shaped corporate mascot wearing top hat, gloves and sneakers used on applicant's products since 1986, bears no resemblance to opposer's figure of a young boy's face.